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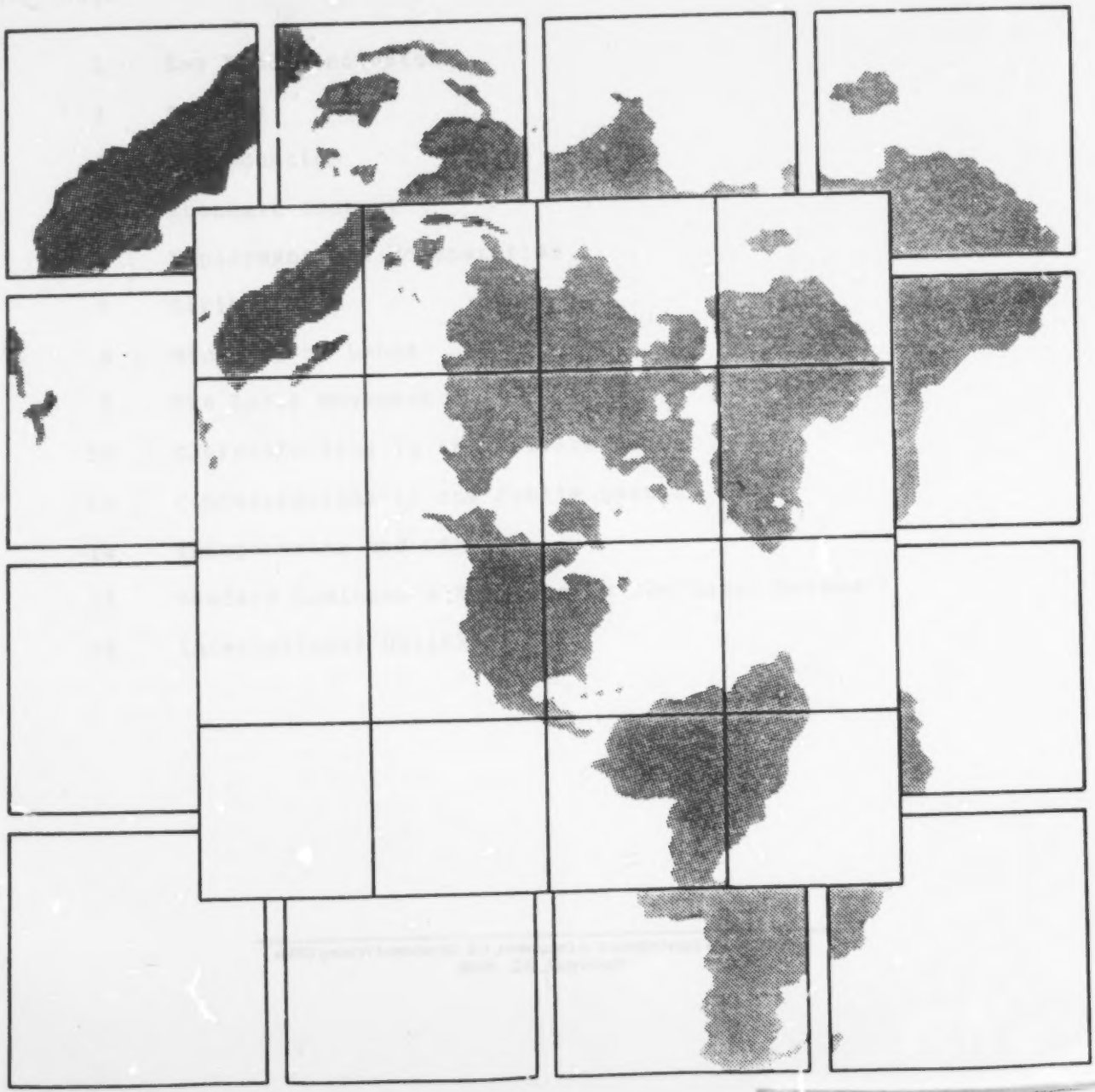

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FOREIGN LABOR TRENDS REPORT

PERU

1988

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Key Labor Indicators

	1987	1988
1. Pop., total (millions)	20.7	21.3
- In urban areas	14.1	N/A
- growth rate-(percent)	2.6	2.6
- Major ethnic groups (pct): Indian		45
- Mestizo		37
- White		15
- All other		3
2. Per capita GDP, current dollars	902	752
---, constant dollars	478	26
3. Life expectancy at birth	61.4	62.0
---, Men	59.5	60.1
---, Women	63.4	64.0
4. Adult literacy rate (percent)	80	80
5. Labor force, (millions)		
Civilian	7.0	7.2
Industry	0.72	0.68
Agriculture	2.5	2.5
Services	1.8	1.9
6. Unemployment (percent)	8.5	12.0
7. Underemployment (percent)	47	51
8. Strikes, no. (1)	133	800
---, workers idled by (000) (1)	44	600
---, man-hours lost due to (000) (2)	1.6	34
9. Minimum wage rate (intis 000)	2.4	24
(US$1=i/33, Dec. 87)		
(US$1=i/500, Dec. 88)		
10. Avg. monthly salary (intis 000)		
(Lima, June)	8.1	24.5
With collective bargaining	8.5	25.2
Without	7.6	13.8
Ag., with collective bargaining	7.7	30.8
---, without	6.1	18.9
Mfr., with collective bargaining	9.9	29.9
---, without	9.2	30.2
Services, with collective bargaining	5.3	16.7
---, without	5.4	18.3
11. Unionization of labor (percent)	18	18
12. Rate of change of CPI (percent)	115	1722
13. Trade with U.S.		
Exports to Peru	690	737
Imports from Peru	796	647
14. U.S. share of:(June 1988)		
Peruvian exports (pct)	38	30
Peruvian imports (pct)	25	26

Key Labor Indicators (continued)

	1987	1988
15. Emigration (total)(000)	53	76
---, to U.S.	N/A	24.8
---, to Latin America	N/A	24.4
---, to other countries	N/A	26.4
16. Supp. benefits, as pct. of earnings)		
Workers (industry & commerce)	N/A	44.9
Employees	N/A	35.5
17. Avg. hours worked per week (4)	47.2	46.3

(1) 1988 figures are estimated. Includes four general strikes.
(2) These figures do not record man-hours lost in strikes by public sector workers.
(3) As of August 1988.
(4) Includes time in grade, insurance against accidents, vacation, Sunday pay, holidays, special July (independence) holidays and December bonus.

SUMMARY

The year 1988 was not a very good one for Peruvian labor. The year registered the largest number of strikes in almost a decade, the highest rate of inflation ever, and a drastic decline in purchasing power. There were four general strikes called by the largest labor confederation, the Communist-controlled General Confederation of Peruvian Workers (CGTP), with little disruption of economic activity and few gains for the workers. The presence of the labor arm of the Maoist guerrilla group Sendero Luminoso (SL) became apparent, with SL openly calling for "armed strikes" in Lima and other departmental capitals. Massive police deployments kept violence to a minimum during all workers' protests. The principal issue for labor in 1988 was how to maintain purchasing power in the face of hyper-inflation. Salary indexation and its consequences for business, labor, and the government are shaping up as the main concern for 1989.

INTRODUCTION

In 1985 Alan Garcia Perez and the APRA (American Popular Revolutionary Alliance) party were voted into office with the largest popular vote in the history of Peru. Enjoying an APRA majority in both chambers of the congress and in departmental, provincial, and municipal capitals across the country, the Government's first two years were characterized by relative economic prosperity and political peace.

Towards the end of his 5-year term, President Alan Garcia is facing a difficult economic situation, with high inflation, a deepening recession and growing unemployment, political instability manifested in cyclical rumors of a military coup, and increasing signs of social unrest in the form of leftist agitation, long and violent strikes, and a high level of terrorist activity. The popularity and credibility of the President and his government declined drastically in 1988. Internal APRA differences became evident and the left and right opposition gained enough ground to become credible challenges in the next municipal elections scheduled for November 1989.

The honeymoon period with organized labor lasted until May 1987, even though as early as 1986 Marxist labor leaders began to criticize the Garcia administration wage policies. Strike activity began to pick up in 1986, declined in 1987, and increased substantially in 1988. As popular discontent with the Government's political and economic policies grew, so did the politicization of organized labor activities, particularly in the public sector, and the number and violence of strikes.

The year 1988 registered the largest number of strikes in Peru in almost a decade. There were four general strikes (January 28, July 19-20, October 13, and December 1) all of which had a political agenda in addition to genuine protests over economic and labor conditions. None was successful from the standpoint of the workers. Even though police forces ensured that marches and meetings were kept under control, there were incidents of violence in every strike, most of which were provoked by radical leftist elements.

Labor's biggest problem in 1988 was coping with the nearly 2,000 percent rate of inflation and its effect on purchasing power. Earlier in the year when inflation estimates were not even close to the actual rate, the Government issued a decree granting indexation of salaries. The index would be based on the consumer price index of metropolitan Lima and applied in those cases where mutual agreement could not be reached.

Despite the Government's pledge, salary increases quickly fell behind inflation--even in nominal terms--while real purchasing power declined by at least 40 percent in 1988. Employers were unable to increase salaries with inflation because as the recession deepened and hyper-inflation accelerated, indexation would have carried a real danger of bankruptcy. The Government even tried to rescind the decree, but political pressures prevented it from doing so. The decree continues to be a major issue in labor relations. In 1989, depending on the severity of the recession, private sector labor could face massive layoffs. In the public sector, labor will lead the way in strikes and protests that are likely to become more costly and violent.

ECONOMIC CONTEXT

The government of Alan Garcia placed first priority on reactivating the moribund economy inherited in 1985. It did so by freezing prizes, rapidly increasing salaries, generating public sector employment, and granting massive, cheap credits to agriculture in an attempt to improve the lot of the urban and especially the rural poor. In order to pay for these programs, Peru diverted funds which should have gone towards servicing Peru's US$16 billion external debt, and otherwise running down available foreign exchange reserves while running up a massive fiscal deficit.

The Government expected the growth achieved in 1986 and 1987 to be self-sustaining in that the local business community would invest in a renascent economy. But investors were wary

of the Garcia administration's interventionist, statist approach to private business, and the July 1987 decision to attempt a nationalization of the banking and insurance industry further and irreparably soured the investment climate. Lack of new investment limited the prospects for further economic growth. Excess demand combined with the fiscal deficit and the need to raise many controlled prices to realistic levels caused inflation to shoot up rapidly in the beginning of 1988. An unrealistic exchange rate complicated matters, and 3 years of sharply negative interest rates drained the financial system of most of its liquidity. As inflation rose, confidence in the national currency, the inti as a stable medium of exchange and a store of value, evaporated. The result has been a rapid "dollarization" of the economy to the point where the Government lost meaningful control of monetary aggregates.

The inability of the Government to prepare and then agree on a coherent economic stabilization program has resulted in the implementation of a series of "corrective adjustment" packages. The "corrections" have probably aggravated the crisis, institutionalizing inflationary expectations and causing serious labor and social unrest. The lack of a comprehensive program acceptable to Peru's creditors means that the country remains isolated from the international financial community. The collaboration of this community, which requires a sound Peruvian economic program, is indispensable.

In November 1988, Peru's trade situation showed a slight surplus of US$138 million, with minerals and fisheries accounting for 70 percent of all export earnings. Peru's trade balance with the United States continued to deteriorate in 1988. The Government's efforts to foster a positive flow of hard currency by reducing nonessential imports, controlling industrial intermediate imports or developing substitutes for them, and promoting nontraditional exports has had limited results at best. Lower levels of bilateral and multilateral aid, reduced availability of commercial credit, and falling exports all contributed to Peru's declining balance of payments situation. The continuing drop in foreign exchange reserves grew worse in 1988, officially amounting to US$-396 million. After growing at 6-7 percent per year during 1985-87, Peru's gross domestic product (GDP) declined by 8.4 percent in 1988. The official inflation figure for the year was 1,722 percent.

EMPLOYMENT AND REMUNERATION

During the last 25 years, the central characteristic of the evolving pattern in the employment situation in Peru has been the gradual movement of the labor force from traditional agricultural occupations to urban activities, especially in commerce and service industries.

In 1988 the population of Peru was 20.7 million, an increase of 2.6 percent over the previous year, and the the economically active population (PEA) increased by 3.1 percent to a total of 7.2 million. Employment in all categories of economic activity grew between 2-4 percent, with commerce and services on the high end and agriculture and fishing on the low end. According to the National Institute of Statistics (INE), the unemployment rate among the PEA went from 8.5 percent in 1987 to 12.0 percent in 1988. Likewise, the underemployment rate increased from 47.1 to 51.3 percent during the same period.

In 1987 the economically active population was 6.99 million. Between 91 and 92 percent were employed and 8-8.5 percent unemployed. Forty-one percent of those employed were salaried workers and 59 percent non-salaried. Of the salaried workers, 45 percent worked in the public sector and 50 percent of those were unionized. The private sector had 55 percent of the salaried workers and 56 percent of those were unionized. Of the non-salaried category, 78 percent were independent or "informal" workers.

In 1985 the Garcia administration embarked on an unprecedented campaign to increase remunerations and to protect the purchasing power of wages and salaries by allowing them to increase slightly higher than the rate of inflation. As a result of this policy, the nation's minimum wage has been increased by more than 6,500 percent from June 1985 (intis 360 per month) to December 1988 (intis 24,000 per month). According to the Ministry of Labor, the real wages index (1979=100) in metropolitan Lima has increased from 85.5 in 1985 to 112.2 in June 1988, while real salaries, measured by a similar index, have increased from 63.7 to 82.9 over the same period.

Traditionally, workers subject to collective bargaining agreements had better wages than those who were not. In 1986 and 1987, for example, those workers under collective bargaining earned an average of 60 percent better wages. In 1988, the difference amounted to over 80 percent. The purchasing power loss of unionized labor in 1988 amounted to 43 percent while nonunionized workers lost 50 percent. Workers in the manufacturing and services sector without collective bargaining, however, earned more than those with bargaining.

Government workers, usually receiving increases below the rate of inflation and often below the increases given in the private sector, lost the most (54 percent). While the Government claims that the current economic crisis prevents granting higher pay increases, since 1985 the number of workers in the public sector has risen by about 30 percent.

STRIKES

President Garcia's honeymoon with organized labor ended on May 1, 1987 when Marxist-led CGTP carried out its first general strike against the administration. Since then, there have been four such strikes, all of them in 1988. In each instance, genuine worker grievances were used by labor leadership to advance a radical political agenda. Although the strikes failed to paralyze the country and gained the workers little, they did interrupt economic activity. Protest marches, building takeovers, longer strikes, and violent clashes with the police also became more common in 1988.

The number of strikes, workers involved, and man-hours lost as a result of strikes increased dramatically over the past year. For example, in 1987 an estimated 44,378 private sector workers lost approximately 1.5 million hours as a result of 133 strikes. By contrast, in 1988 nearly 34 million man-hours were lost by 600,000 workers in 800 strikes. Among the most important strikes in the year were those of the:

a) Miners who fought for a single national level collective bargaining agreement.

b) Bank workers who went on strike to uphold a supreme decree granting them salary indexation.

c) Textile and social security workers who also argued for salary indexation and who, like the others, had to settle for less.

The rising trend in strikes and man-hour losses seen in 1988 will probably continue through 1989. As the economy shows little signs of recovery, if any, and inflation continues to gnaw away at the real income of the workers, open protests, often led by radical leftists elements, will continue. The trend may slow somewhat if the current recession creates a surplus of workers thus providing incentives for those with jobs not to go on strike.

Several times during 1988, the issue of a strike law surfaced and submerged just as quickly. The Peruvian congress has been considering some form of a strike law for about a decade but has yet to approve one. The year 1988 was no different on that score. (Note: Although the right to strike is guaranteed by the constitution, the text also says that this right will be exercised according to law. It is this implementing legislation which has not been adopted.)

MINISTRY OF LABOR

In spite of persistent rumors of resignation, Dr. Orestes Rodriguez is still in office as Labor Minister. The Minister of Labor and Social Promotion operates under the terms of a legislative degree enacted in June 1981. This law defines several specific functions for the Ministry: 1) to guide labor relations within a tripartite framework (business, labor and government); 2) to promote the creation of more employment; 3) to extend to workers the protection afforded by the labor laws; 4) to guide the development of social and labor legislation and the improvement of all labor-related institutions in the Government; and 5) to guarantee the free development of cooperative organizations.

There are two vice-ministers, one for labor and one for social promotion; a consultative commission; the National Labor and Social Agreement Council; and the Inter-Sectoral Coordination Commission. Vice Minister of Labor Mr. Victor Salas, the former Secretary of Defense (collective bargaining) of the pro-APRA Confederation of Peruvian Workers (CTP), supervises the Directorates General of Labor who are responsible for resolving industrial relations disputes and registering trade union organizations, inspection, and occupational health and safety. Vice Minister of Social Promotion Dr. Domingo Trenneman (another staunch "APRISTA") supervises the Directorates General of Employment which compiles employment and wage statistics through establishment and household surveys; vocational training; participation (which monitors worker participation and profit-sharing within industrial community arrangements); and welfare and social security (which provides staff support for the Minister's participation in determining policy for the Autonomous Social Security Institute). Other Director Generals report directly to the Minister. In 1985 the Ministry established an office of international affairs. Its first director was replaced in 1986 by Dr. Walter Bobadilla, a young businessman who enjoys the trust of Labor Minister Rodriguez.

The Ministry of Labor fell on hard times in 1988. Its authority and influence, which had been eroding for some time, reached new lows when wage increases became the responsibility of the Ministry of Economy and Finance. The inability to settle strikes quickly and peacefully also revealed a lack of effectiveness on the part of the Ministry.

THE LABOR MOVEMENT

Organized labor has played an important role in Peru during the last twenty years. As an economic force, organized labor is active in industries which, according to several estimates, are responsible for about 70 percent of the gross national product (GNP). It has also been a powerful articulator of popular dissatisfaction with succeeding governments. However, only 18 percent of the PEA in 1988 was organized, according to official figures. For the majority of Peruvian workers--including those in the countryside and those involved in the vast untaxed underground "informal" sector that works outside all government regulations--the labor union movement has little or no significance.

The union local in a company that employs 20 people or more is the basic organizational unit of the Peruvian labor movement. A minimum of five unions is required to form a federation. They may be organized around a particular type of activity, or on a regional basis. Except in a few key areas, including construction, banking, and teaching, federations do not act as national bargaining agents in contract talks. (Miners tried to adopt this system in 1988 but only government, not industry, accepted the idea). The highest and most politically minded level of union organization is the confederation. Confederations require the membership of 10 federations. There are no restrictions on their activities except that public worker unions are not permitted to join in confederations of private or publicly-owned business enterprises. In the public sector, the basic law passed in 1962 encourages the formation of competing unions by requiring only 20 percent of the members of a work unit to register in a new union. In contrast, 50 percent are required in the private sector.

Marxist-led unions, some led by radicals, are particularly strong in the public sector. Orthodox Moscow-line Peruvian Communist Party-Unity (PCP-U) members generally have been strong in banking, construction, graphics, and to a lesser extent in manufacturing and industries. Other, more radical, Marxist-Leninists are strong in teaching, mining, and peasant organizations. Several leftist labor leaders were elected to the national congress in 1985 as part of the United Left (IU) delegation, making the IU the second strongest congressional block. Among these were Gustavo Espinoza (Congressman-PCP) and Valentin Pacho (Senator-PCP-U) Secretary General of the CGTP, and Cesar Barrera Bazan (Deputy-UNIR), a former Secretary General of the SUTEP teacher's union.

Historically, the country's second largest confederation, the CTP, has been allied with APRA. Unions whose leadership is politically oriented towards the ruling party are strongest within the textile and sugar sectors. APRA-affiliated unions compete with the Communists with varying degrees of success in manufacturing, industry and mining.

CONFEDERATIONS IN THE PRIVATE SECTOR

CGTP

The General Confederation of Peruvian Workers (CGTP) is the largest and strongest labor confederation in Peru. The CGTP was organized and recognized officially in 1968 during the Velasco regime. With encouragement by the military government and repression of its "APRISTA" rival, the CGTP became the dominant labor central. The CGTP is controlled at the very top by the Moscow-line Peruvian Communist Party--Unity (PCP-U). The CGTP is affiliated with the Soviet-dominated World Federation of Trade Unions (WFTU) and with its regional Permanent Congress for Trade Union Unity of Latin America (CPUSTAL). Although the CGTP claims a total membership of 800,000, this is an inflated figure. More credible estimates of CGTP strength range from 550,000 to 600,000 members, not including CITE (Inter-Sectoral Confederation of State Workers) members. In 1987 the CGTP increased its economic, and particularly its political influence, with the affiliation of the miner's federation. It also has forged closer links with other Marxist-led groups such as the Peasant Confederation of Peru (CCP) and SUTEP (the 100,000-member teacher federation). CITE'S 500,000 strong public sector employees confederation became an affiliate in July 1988. There are legal problems, however, because a public sector labor organization cannot be affiliated with a private sector organization. Both CITE and the CGTP have chosen to ignore these local legal restrictions and have gotten away with it so far. CGTP influence and strength were also increased by closer collaboration between various Marxist student groups and shantytown (pueblos Jovenes) associations.

Important current CGTP leaders are:

--President: Isidoro Gamarra Ramirez
--Vice President: Pedro Huillca Tecse
--Secretary General: Valentin Pacho Quispe
--Assistant Secretary General: Pablo Checa Ledesma.

CGTP headquarters in Lima are located at Plaza 2 de Mayo No. 4, Lima. Its telephone numbers are: 24-3063 and 23-1787.

FNTMMSP: One of the strongest affiliates of the CGTP, the National Federation of Mining and Metallurgical and Steel Workers of Peru (FNTMMSP), includes unions in most large, medium, and small mining enterprises in Peru. It joined the communist central in 1987. Muscovites, Maoists and the small Trotskyite Communist parties compete for dominance of the FNTMMSP and its member unions. The FNTMMSP maintains its strength and militance largely because of the estrangement its mostly Indian and Mestizo membership feels from modern urban Peruvian society. (Most mines are isolated in high mountain areas). The FNTMMSP waged two long, economically crippling industry-wide strikes in 1988. The first, from July 18 to August 17, and the second, from October 17 to December 12--a record length for a strike in Peru--are estimated to have cost the country about US$500 million in lost revenue. The miners were striking for the implementation of a national, industry-wide collective bargaining agreement, which is firmly opposed by industry. Seeking a way out of the impasse, the Government capitulated to the workers' demands on both occasions, but as of March 1989, not even preliminary talks on the implementation of such a national collective bargaining agreement had begun. FNTMMSP'S President is Moises Palomino. Its Secretary General, Saul Cantoral, was murdered by unknown assailants on February 13, 1989.

CTP

Peru's oldest and second strongest labor central is the democratic, APRA-oriented Confederation of Peruvian Workers (CTP). It is affiliated with the International Confederation of Free Trade Unions (ICFTU) and the Inter-American Regional Organization of Workers (ORIT). Various estimates give the CTP between 120,000 to 200,000 members. Before 1968, the CTP was the only recognized confederation and incorporated most of Peruvian organized labor. It lost strength over the last two decades due to strife between APRISTA factions, growing Communist strength, and government favoritism for first Communist and then government-created labor groupings during all but the very last part of the 12 years (1968-1980) of military rule.

The CTP has traditionally been strongest among miners in the north and sugar workers, although it's largest affiliate is now the Social Security labor central. It also has a telephone federation (ENTEL Peru) and many strong directly-affiliated local unions in the textiles, manufacturing, mining, electric power, rail, and transport sectors. (The CTP'S hold over the textile unions is being actively challenged by the CGTP).

The long standing rivalry between CTP President Julio Cruzado and Luis Negreiros, son of the founder of CTP, came to a head at the April 1988 CTP congress. The labor central split, with Flavio Rojas, leader of the large Social Security Administration Union, as Secretary General of the Cruzado faction and deputy Bernardino Cespedes as Secretary General of the Negreiros faction. Repeated attempts at unification were unfruitful and, in January 1989, the Negreiros faction took over by force the CTP building. Several legal findings confirming Rojas' claims to the building local and the CTP'S name were systematically disregarded by the Negreiros people, who have the support of the Government.

The Cruzado faction held a congress in February to elect its new leadership and the Negreiros faction is expected to hold theirs in March.

Cruzado faction

President: Julio Cruzado
Secretary General: Flavio Rojas (resigned but his resignation has not been accepted)
Secretary of Defense : Oswaldo Morales Vigo (collective bargaining)

Negreiros faction

President: Manuel Ramirez
Secretary General: Bernardino Cespedes
Executive Secretary General: Luis Negreiros

CNT

The National Workers Confederation (CNT), with only several thousand members, was originally organized as a Christian Democratic labor central affiliated with the Latin American Workers Central (CLAT) and the World Confederation of Labor (WCL). It was recognized officially by the military government and split several years ago. Victor Sanchez Zapata's leadership of the officially recognized group is now being challenged from within. The CNT dropped its Christian Democratic orientation and established close ties with the CTP, and consequently with the AFL-CIO and ORIT. Charges of corruption and flirtations with domestic and international Communist trade union groups leveled against some of the CNT leaders led to the CNT'S gradual drift from the AFL-CIO'S American Institute for Free Labor Development (AIFLD). In 1987 AIFLD severed its contacts with Sanchez Zapata's group, but ORIT still maintains some contact.

The officially recognized CNT faction operates from an office in the Peruvian Social Security Institute (IPSS) building located in Lima at Avenida Arenales 1302, Oficina 127. There is no office phone number.

The other CNT, led by Secundino Perez, broke with CLAT in 1987 and tried to establish closer links with the CTP and ORIT. Charges of corruption have also been leveled against some of its leaders. This faction took over the old CNT headquarters in Lima. Its offices are located at Avenida Garcilaso de la Vega 1168, Room 702. The telephone number is 24-8306.

CTRP

The Workers Confederation of the Peruvian Revolution (CTRP) was created and supported in 1973 by the Velasco military regime as its official labor arm and counterweight to the CGTP. It lost most of its membership when official support was withdrawn. Most current estimates give it only a small percentage of organized labor. Ostensibly national in scope, the CTRP has its strength among fish processing workers and is trying to make a comeback in the port of Callao.

The CTRP has its office in Hernan Velarde 240, Lima. There is no office phone number.

CONFEDERATIONS IN THE PUBLIC SECTOR

CITE

One of the most notable features of the last few years has been the coalescing of various public sector unions in Peruvian ministries under the umbrella organization known as CITE (Inter-Sectoral Confederation of State Workers). According to estimates, in 1988, ten years after it was organized, about 500,000 of the 700,000 government employees in Peru (excluding the armed forces) were CITE members.

In the early years of the Belaunde administration, CITE became a focus of public sector labor discontent, owing to the administration's reluctance to deal with a growing number of public sector unions. During 1984-85, when public employees salaries became more heavily affected by inflation, CITE led public sector strikes that lasted longer and had greater political impact than private sector conflicts. The second of CITE'S 1985 strikes began under Belaunde and extended into the Garcia administration. It ended in August 1985 after the rank and file resolved to return to work in defiance of the strike

order. This was the first clear success by the Garcia administration and for APRA sympathizers in key CITE unions. During 1986, the CITE leadership was not able to rouse the Confederation's rank and file to mount strikes against the popular Garcia administration. After 2 years of relative labor peace in the public sector, and as Garcia's popularity declined following his decision to expropriate the domestic banks and insurance companies, a wave of public sector strikes began in the second half of 1987.

CITE'S activities during 1988 were limited to a few protests, but no major strikes. In July 1988 it voted to become an affiliate of the CGTP (see above). In January 1989 CITE went on an indefinite strike to protest the disappearance of the customs union labor leader and to demand a 77 percent bonus pay increase and a unified civil service pay scale.

Both APRA and the United Left (IU) are represented in CITE, but the latter members appear to be stronger. CITE has a collegial leadership of four secretaries general. They are Cesar Passalacqua, Luis Iparraguirre, Felix Martinez, and Carlos Jimenez.

INDEPENDENTS AND OTHERS

A significant percentage of Peruvian organized labor belongs to independent unions and federations. Most of the largest and strongest federations are led by Marxists. Others (particularly port and transport workers not in the CTP) are led by non-CTP APRISTAS. Among the notable independent organizations are the petroleum workers. Strong unions exist in the various installations of the state oil firm, PetroPeru, and many of its contractors. Most are nominally in one or both of two national federations, FETRAPEP (PetroPeru) or FENATRAPP. The latter joined the CGTP in May 1986. An April 1987 strike by PetroPeru workers was only partially successful in obtaining the desired wage/benefits improvements from this state-owned company.

SENDERO LUMINOSO'S PRESENCE IN THE LABOR MOVEMENT

A dangerous and increasing influence in the labor movement is that of Peru's terrorist group Sendero Luminoso (SL), or shining path. In 1987 we noted the appearance of SL's movement of class-conscious laborers and workers through a lengthy communique in SL's mouthpiece, "El Diario". In 1988 SL's activities in the labor field included the burning of a factory, notable participation in the miners' and general

strikes, and carrying out several "armed strikes" in Lima and departmental capitals. In departmental capitals like terrorism-ridden Ayacucho and Huancayo, several of the weeks-long strikes called by SL were successful, mostly due to fear and intimidation than outright support for SL. In Lima "armed strikes" were notably unsuccessful. SL organized "committees for struggle" in each of the city's main industrial corridors to enforce the strike by violent means, but massive police presence kept order in those areas.

The biggest threat to labor posed by SL is the radicalization of the movement and the use of terror to press for political rather than economic demands. The inactivity and inability of labor leaders to acquire better living standards for the workers are partly responsible for SL inroads.

INTERNATIONAL RELATIONS

The International Labor Organization's (ILO) regional office for Latin America and the Caribbean is located in Lima. Dr. Jose Capriata, a Peruvian, is its Director. The ILO facilities in Lima include the Inter-American Labor Administration Center (CIAT), directed by Dr. Jorge Difrieri, an Argentine. CIAT is a voluntary organization of Western Hemisphere labor ministries. It is financed by negotiated contributions from the ILO and the United Nations Development Program. In Peru CIAT provides technical assistance to the Ministry of Labor and maintains an office there.

All three trade union internationals have affiliates and undertake activities in Peru.

The AFL-CIO'S AID-assisted AIFLD helps various labor organizations through an autonomous Peruvian institute, AFELIES (an association to promote labor education and economic and social investigation).

In 1988, AFELIES sponsored 64 training courses (seminars) benefiting about 3,510 Peruvian trade unionists and mounted a major program to provide trade unionists with technical information on collective bargaining techniques, a reference library, and research projects. Also, seven trade unionists traveled to the AFL-CIO'S George Meany Center in Washington, D.C. for advanced training in labor affairs, and one went to a "campesino" training course in San Salvador. AFELIES has contributed expertise on major social projects of the democratic CTP labor confederation. It will be winding down its operations in Peru in 1989 because internal differences in the CTP prevent AFELIES from carrying out its program.

As noted in the section on unions, the ICFTU and ORIT are affiliated with the CTP. The CGTP is the Peruvian affiliate of the communist WFTU and CPUSTAL. WFTU, CPUSTAL, and eastern bloc governments and labor organizations presumably provide considerable assistance to the CGTP and to leftist independent unions, directly through the orthodox PCP-U and other far left parties. The CGTP has an active trade union education center in Lima.

The International Transport Workers' Federation (ITF) maintains its inter-American office in Lima. It provides seminars and other assistance to the ITF Peruvian affiliates, particularly the port workers. The ITF office also assists other ITF affiliates throughout the hemisphere.

The Inter-American Organization of the International Federation of Employees and Technicians (IRO-FIET) also conducts programs in Peru. Other International Trade Secretariats conduct programs financed by their European affiliates. The Marxist-led SUTEP teachers union is affiliated with the World Confederation of Organizations of the Teaching Profession (WCOTP). The German Social Democratic Friedrich Ebert Foundation also provides assistance to non-Marxist trade union groups like APRA Senator Jose Linares Gallo's CAES-Advanced Trade Union Studies Center (Lima). CAES also has received aid from the ILO to run seminars and conduct studies.

The Schiller Institute, a Lyndon Larouche organization, maintains an office in Lima and conducts seminars on political, economic, and trade union matters. APRA Senator Josmell Munoz maintains close contact with Schiller Institute representatives in Peru and abroad. Luis Negreiros (CTP) and Juan Bernaola (CTRP) also have accepted invitations and presumably funds from the Schiller Institute. The Schiller Institute is behind the creation of a group called "Instituto Andino del Trabajo (IAT)". This is not to be confused with the "Instituto Laboral Andino (ILA)" which was formed by all the labor organizations in the Andean countries under the auspices of CIOSL and the Andean Parliament.

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